

RFP, APPENDIX A

STATEMENT OF WORK

TABLE OF CONTENTS

| SECTION | TITLE | PAGE |
|---------|--|------|
| 1.0 | SCOPE OF WORK | 1 |
| 2.0 | DAYS AND HOURS OF OPERATION | 8 |
| 3.0 | QUALITY CONTROL | 9 |
| 4.0 | QUALITY ASSURANCE PLAN | 9 |
| 5.0 | DEFINITIONS | 10 |
| 6.0 | CONTRACT TO GOVERN..... | 10 |
| | <u>COUNTY</u> | |
| 6.1 | Premises | 10 |
| 6.2 | Operations Manager..... | 10 |
| | <u>CONCESSIONAIRE</u> | |
| 6.3 | Personnel | 11 |
| 6.4 | Uniforms/Identification Badges..... | 11 |
| 6.5 | Materials and Equipment..... | 11 |
| 6.6 | Training | 12 |
| 6.7 | Concessionaire's Office..... | 12 |
| 7.0 | SPECIAL OPERATION REQUIREMENTS | 12 |
| 8.0 | GREEN INITIATIVES..... | 12 |
| 9.0 | PERFORMANCE REQUIREMENTS SUMMARY | 13 |

STATEMENT OF WORK (SOW)

1. SCOPE OF WORK

The Los Angeles County (County) Department of Beaches and Harbors (Department) is issuing this REQUEST FOR PROPOSALS (**RFP**) FOR CONCESSION SERVICES AT COUNTY-OPERATED WILL ROGERS STATE BEACH to solicit proposals for a Concession Agreement with an entity who can develop, manage, and operate a new restaurant at County-operated Will Rogers State (**Premises**), and who can provide to the County the following main deliverables, including but not limited to:

- a) A high-quality beachfront restaurant and outdoor recreation experience;
- b) A secure source of stable, long-term income to the County;
- c) Physical design and quality food and service that clearly marks this business as a distinguished restaurant in Southern California;
- d) Consideration and analysis of how multi-modal transportation options might be accommodated on or about the Premises;
- e) A developer/restaurateur with a solid financial base and long-term experience in developing and operating high-volume restaurants to maximize the potential for continuous, successful operation;
- f) A well-financed commitment to property maintenance, repair, and periodic refurbishment that includes appropriate accommodation of disabled persons and required upgrades in full compliance with the Americans with Disabilities Act (**ADA**) and all State and Local Government accessibility regulations;
- g) A destination restaurant and/or dining-and-entertainment operation with a distinctive menu/experience using food products from local and sustainable sources whenever possible (i.e., adopting farm/ocean-to-table concept) that will not only cater to visitors of the Will Rogers State Beach, but also draw people to the area for a memorable experience; and
- h) Maximize attendance through distinctive menu items, service, ambiance, and special events marketing.

County is requesting proposals for a 50-year concession agreement with a successful and experienced restaurant operator (**Concessionaire/Proposer**) who would develop, manage, and operate a new restaurant at the Premises, provide quality concession services, and continue enhancing the restaurant's tradition as a high quality, service oriented facility that is a distinctive coastal landmark. A successful Proposer will be required to secure and retain a labor peace agreement with a labor union organization as a condition of doing business at the Premises.

Quality Standards

Service to the public, with high-quality goods and merchandise at affordable prices relative to the Premises' area and similar markets, is of prime concern to County and is considered a part of this RFP. Therefore, Concessionaire shall operate and manage the services and facilities offered in a first-class manner, furnish and dispense food and beverages of the best quality, and shall maintain a high standard of service at least equal to those prevailing in the Westside communities of Los Angeles County with "Three-Diamond"-or-above ratings under the *AAA Restaurant Diamond Rating Guidelines* (i.e., "Trendy cuisine, skillfully prepared and served, with expanded beverage options, in an enhanced setting."). The restaurant will primarily use food products from local and sustainable sources, whenever possible, and preferably implementing a farm/ocean-to-table concept. The Concessionaire will be committed to consistently operating the facility to maintain high-quality food and service as a distinguished restaurant and a distinctive coastal landmark.

Concessionaire's performance in meeting the "Quality Standards" (set forth in Section 8.1 of the Concession Contract attached as Appendix C to this RFP (**Sample Contract**)) shall be evaluated by a standard of commercial reasonableness with reference to the similar operation of a high quality, service oriented facility at a distinctive coastal landmark destination.

The County will consider only an unsubordinated, percentage-rent concession agreement with minimum rents.

RFP Section 7.7.5, *Proposer's Approach to Provide Required Services*, describes the minimum information Proposer must provide for County to evaluate the Proposer's ability to provide the required services.

Existing Authorized Activities at the Premises:

- Family oriented first class restaurant, including banquet facilities, for the sale of food and beverages.
- The sale of beach equipment and other items from the approved merchandise list:
 - ✓ Apparel Items (T-Shirts, tank tops, sweatshirts, hats, visors, denim shirts, polo shirts, aprons, boxer shorts, etc.);
 - ✓ Glassware;
 - ✓ Coffee Mugs;
 - ✓ Disposable Cameras;
 - ✓ Camera Films;
 - ✓ Suntan Lotion;
 - ✓ Lip Balm;
 - ✓ Postcards;
 - ✓ Maps;
 - ✓ Mints;
 - ✓ Key Chains;
 - ✓ Sunglasses;
 - ✓ Beach Towels;
 - ✓ Pens/Pencils;
 - ✓ Stuffed Animals;
 - ✓ “Refrigerator” Magnets;
 - ✓ Mallets or Crackers (to open crab or lobster); and
 - ✓ Other items as approved in writing by the Director of the County of Los Angeles Department of Beaches and Harbors (**Director**).

Anticipated New Activities at the Premises:

- *Entertainment;*
- *A facility providing food service to general public and beachgoers through window bays.*

1.1 Minimum Rent and Percentage Rent are to be bid by the Proposer. The Concessionaire shall pay the County a monthly amount equal to the greater of the Monthly Minimum Rent and the Percentage Rent calculated on the Concessionaire’s Gross Receipts. Proposer must meet or exceed the following requirements:

- A secure source of stable, long-term rental income.
- Physical design and quality food and service that clearly marks this business as a distinguished restaurant in Southern California.

- Consideration and analysis of how multi-modal transportation options might be accommodated on or about the Premises.
- A developer/restaurateur with a solid financial base and long-term experience in developing and operating high-volume restaurants to maximize the potential for continuous, successful operation.
- A well-financed commitment to property maintenance, repair, and periodic refurbishment that includes appropriate accommodation of disabled persons and required upgrades in full compliance with the Americans with Disabilities Act (ADA) and all State and Local Government accessibility regulations.
- Up to a 50-year lease, commencing November 1, 2017.
- Annual Minimum Rent:
 - Commencement through certificate of occupancy (CO): \$100,000
 - CO Date through 10th year: \$400,000.
 - 11th year through 15th year: \$960,000
 - Every 5 years thereafter: 10% increase
- Concessionaire to propose the percentage rents, but the County provides a schedule with the minimum percentage rates.
- Rent credit for the concessionaire's construction cost. The rent credit may be applied to up to 50% of rent due for a period up to 15 years.
- Participation Fees due on Changes of Ownership and Financing Events.
- Capital Improvement Fund (with Reserve Study; *see Sample Contract Section 5.13*):
 - Concessionaire will make a monthly deposit to the Capital Improvement Fund in the amount of 3% of Gross Receipts derived from the Premises and cause a Reserve Study every five years.
- Furniture, Fixtures, and Equipment (FF&E) Fund (*see Sample Contract Section 5.13*):
 - Concessionaire will make a monthly deposit to the FF&E Fund in the amount of 1.5% of Gross Receipts derived from the Premises.

- Countywide Local and Targeted Worker Hiring Policy (see *Sample Contract Section 22.6*).
- Percentage Rent setups (see *Sample Contract Section 4.2.2*):
 - 10% Restaurant
 - 12% Bar
 - 12% Parking Fees
 - 12% Retail Sales
 - 25% Service Enterprise-Coin Operating Vending Machines
 - 12% Miscellaneous

1.2 Annual Minimum Rent Adjustment Date (Adjustment Date) is November 1, 2032 (see *Sample Contract Sec. 4.2.1*).

1.3 Restaurant Concept: The County requires materials that clearly demonstrate the Proposer's approach to develop, manage, and operate a new restaurant at the Premises. **Innovative approaches to creating a destination project with high appeal and strong market presence are encouraged.**

1.3.1 Provide a full narrative description of the restaurant concept and physical characteristics of the proposed development must be submitted. Include type of food, beverage, and liquor to be served, entertainment proposed (if any), number of proposed seats for restaurant and bar, and an estimated breakdown of the percentage of revenue from restaurant and bar. Also provide a description of the targeted market segments (e.g., visitors, residents, special events) and the marketing methods to approach these market segments.

1.3.2 Submit a construction rendering and site plan in 11" x 17" format showing the entire site and identifying with color the areas to be modified, developed, or refurbished. Additional graphics may be submitted showing elevations or details to further illustrate the concept.

1.3.3 For the proposed development, management, and operation, include a cost estimate, divided between structural improvements and furniture, fixtures, and equipment, and an estimate of maintenance and capital replacement costs for the full term of the proposed concession agreement.

- 1.3.4 If the Proposer intends to get financing to develop and/or operate the Premises, provide a Financing Plan demonstrating the Proposer's financial capability to construct the improvement and operate the Premises. Such Financing Plan shall include, but not be limited to, information detailing: (a) equity capital; (b) sources and uses of funds; (c) terms of financing; (d) debt service coverage and ratio; (e) loan to value ratio; and (f) letters of commitment from financial institutions to demonstrate the availability of sufficient funds to complete the proposed improvements on the Premises.
- 1.3.5 Provide the Proposer's Business Plan and Facility Improvement Plan for the Premises (*see RFP Section 7.7.11*), including pro forma financial projections (with an identification of the sources of the data used in the production of such projections) for the business for the first ten (10) year period beginning upon the commencement of the Agreement. Such pro forma projections shall include capital costs for any proposed improvements, projected income and operating expenses (including maintenance and repair, possessory interest taxes, insurance costs, etc.), and debt service, if any (and all other payments to lenders).
- 1.3.6 Proposer should have long-term experience with high-volume high quality and service-producing restaurant operations. Provide the following information for each of the other restaurants that the Proposer has developed and managed:
- a. Restaurant name
 - b. Location, including description of area (e.g., oceanfront, marina, city center, etc.)
 - c. Theme
 - d. Size (square footage, dining room and bar capacity/seats, banquet facilities, if any)
 - e. Dates/Time Period during which Proposer was involved in operations
 - f. A table showing the ratings or "scores" for the restaurant in Zagat's, Yelp, AAA, Travel Magazine, Holiday Magazine, or other such guides
 - g. Copies of any restaurant reviews
 - h. Gross receipts data for the last five (5) years, broken down into food, beverage, and other categories (also indicate revenue by seat, broken down by category)

- i. Copies of menus corresponding to the periods for which gross receipts data is provided

1.3.7 **Menu, Healthy Food Choices, Nutritional Information:** All food and beverages sold or kept for sale by the Concessionaire shall be first-class in quality, wholesome, and pure, and shall conform to Federal, State, and County food laws, ordinances, and regulations in all respects. No adulterated, misbranded, or impure articles shall be sold or kept for sale by Concessionaire.

1.3.8 If County determines that any merchandise and/or food products do not meet Quality Standards (see *Sample Contract Section 8.1*), the County may order the Concessionaire to improve the quality of any such items kept or offered for sale. The Concessionaire shall, immediately upon notice from County, and at the Concessionaire's sole cost and expense, remove or withdraw from sale any goods or services determined by the Director to be objectionable to the public or the County.

1.3.9 Complete and submit the Voluntary Artificial Trans Fat Reduction (ATFR) Program Application (see *RFP Appendix D, Exhibit 15*). Failure to submit or fully complete the ATFR Application (4 pages) may be grounds for disqualification.

1.4 Pricing and Posting: The Concessionaire shall at all times maintain a complete list or schedule of the prices charged for all goods and services, or combinations thereof, supplied to the public on or from the Premises. Prices shall be fair and reasonable, based upon the following considerations:

- The concession operations are intended to serve the needs of the public for the goods and/or services supplied at a fair and reasonable cost;
- Comparability to prices charged for similar goods and/or services supplied in the Premises' surrounding area, or at locations and/or businesses similar or comparable to the Premises;
- The reasonableness of the profit margin considering the cost of engaging in the Authorized Activities on the Premises in accordance with the obligations assumed in the Contract.

Prices for each item sold from the Premises shall be conspicuously displayed to County's satisfaction. The County shall notify the Concessionaire if, in the Director's opinion, the prices being charged by the Concessionaire are not fair and reasonable. The Concessionaire shall be given an opportunity to justify such prices; however, after due consideration of the Concessionaire's argument, the Director shall determine in his or her sole discretion if the prices need to be reduced, and that decision shall be final. The Concessionaire shall thereafter make such price adjustments as ordered by the Director.

- 1.6 Sanitation:** The Concessionaire shall at all times maintain a letter-grade rating of "B" or higher as determined by the Los Angeles County Department of Public Health. The Concessionaire shall at all times meet County health standards, subject to the California Health and Safety Code, and State and Federal health regulations, including, but not limited to, those for cleanliness.

If the facility receives a letter grade rating of "C" or below, or is closed for the health violations, the Concessionaire shall be in default of the Contract, and the County may thereupon terminate the Contract and/or seek all other remedies (including but not limited to the loss of rent) available at law or in equity.

- 1.7 Multi-Modal Transportation:** The Proposer shall provide a plan to show how multi-modal transportation options will be accommodated on the Premises, including, but not limited to, a bus turnaround route and bus layover; however, the number of parking spaces required by the California Coastal Commission for beachgoers shall not be reduced. Please refer to concept plans and specifications in Exhibit 3 of Appendix B SOW Exhibits, attached hereto, for illustration of design and construction requirements.

- 1.8 Labor Peace Agreement:** The Proposer shall secure, retain and provide a copy of a labor peace agreement with a labor union as a condition of doing business at the Premises.

2. DAYS AND HOURS OF OPERATION

To fulfill the needs of visitors and beachgoers, the Concessionaire is required to shall be open for business and provide services every day of each year during the Contract Term, subject to the exceptions provided herein. The Concessionaire

may be closed for business when a condition exists that is beyond the Concessionaire's control, including but not limited to fire, earthquake, flood, storm, war, riot or insurrection, or other similar event that prevents the Concessionaire from engaging in the Authorized Activity on the Premises.

The minimum daily hours of operation shall be determined depending on the types of Final Authorized Activities. The Concessionaire may close the restaurant operation for up to four (4) days per calendar year on days which the Concessionaire believes are appropriate and as approved by the Director.

Each change in the days and/or hours of operation shall be subject to the County's written approval in each instance.

3. QUALITY CONTROL

The Concessionaire shall establish and execute a comprehensive Quality Control Plan to ensure a consistently high level of service throughout the term of the Contract. The Concessionaire shall submit its Quality Control Plan to the County for review. The plan shall include, but not be limited, to the following:

- 3.1 A method for monitoring the ongoing execution of the plan to ensure that the Contract requirements are consistently met; and
- 3.2 A means of recording all inspections conducted by the Concessionaire, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, and shall be provided to the County periodically and upon request.

4. QUALITY ASSURANCE PLAN

The County shall evaluate the Concessionaire's performance under the Contract using the Quality Standards procedures as defined in Sample Contract Section 8.1. (Quality of Restaurant Operations).

4.1 Contract Discrepancy Report (SOW Exhibit 1 of Appendix B)

Verbal notification of a Contract discrepancy will be made to the Contract Project Monitor as soon as possible whenever a Contract discrepancy is

identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Concessionaire.

County personnel shall determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of the report, the Concessionaire shall respond in writing to the County Contract Project Monitor within **two (2) business days**, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the County Contract Project Monitor within **seven (7) business days**.

4.2 County Observations

Any appropriate Los Angeles County personnel may observe the Concessionaire's performance and activities, and may review documents relevant to the Contract at any time during normal business hours.

5. DEFINITIONS

Capitalized words not otherwise defined herein shall have the meanings given in Sample Contract Section 2. (Definitions).

6. CONTRACT TO GOVERN

The County's and the Concessionaire's rights and obligations regarding the Premises shall be as set forth in the Sample Contract.

6.1 Premises Concessionaire shall rely on its own investigation and examination of the Premises, and shall accept the Premises in their existing condition, AS IS WITH ALL FAULTS. The Concessionaire may not rely on any representation or warranty of any kind whatsoever, expressed or implied, from County or any other governmental authority or public agency, or any of their respective agents, as to any matters concerning the Premises.

6.2 Operations Manager

6.2.1 Concessionaire shall provide a full-time Operations Manager to act as a central point of contact with the County, and shall provide County their contact information (including, but not limited to, a

telephone number and email) where they can be reached at all times during the Term.

6.2.2 The Operations Manager must have at least **10 years of experience** in restaurant management and operation.

6.2.3 The Operations Manager shall have full authority to act for the Concessionaire on all matters relating to the daily operation of the restaurant, and shall be able to effectively communicate in English, both orally and in writing.

6.3 Personnel

6.3.1 The Concessionaire shall hire a sufficient number of employees to perform the required work. At all times, at least one employee on the Premises shall be authorized to act for the Concessionaire in every way operationally, and must be able to effectively communicate in English, both orally and in writing.

6.3.2 The Concessionaire shall have a background check performed on each of its employees, as provided in RFP Section 4.4 (Background and Security Investigations).

6.4 Uniforms/Identification Badges

6.4.1 The Concessionaire's employees shall wear an appropriate uniform at all times.

6.4.2 The Concessionaire shall ensure that their employees are appropriately identified, as set forth in RFP Section 7.7.11.A. (Proposer's Operation Plan – Employee Staffing and Training).

6.5 Materials and Equipment

Concessionaire shall be responsible for the purchase of all materials and equipment to provide the required services under the Contract. The Concessionaire shall use materials and equipment that are safe for the environment and safe for use its employees.

6.6 Training

6.6.1 The Concessionaire shall provide training programs for all new employees and continuing in-service training for all employees.

6.6.2 The Concessionaire shall be responsible for training all of its employees in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All employees must wear safety and protective gear according to OSHA standards.

6.7 Concessionaire's Office

The Concessionaire shall maintain an office with a telephone in the company's name where the Concessionaire conducts business. The office shall be staffed during the hours of **9 a.m. to 6 p.m., Monday through Friday**, by at least one employee who can respond to inquiries and complaints which may be received concerning the Concessionaire's performance of the Contract. When the office is closed, an answering service shall be provided to receive calls. **The Concessionaire shall reply to calls received by the answering service within twenty four (24) hours after receipt of the call.**

7.0 SPECIAL OPERATION REQUIREMENTS

- The general public is allowed to bring food to the Premises for consumption at the outside patio area adjacent to the restaurant building.
- No fee shall be charged to the public for bringing and consuming the food at the outside patio area adjacent to the restaurant building.

8.0 GREEN INITIATIVES

8.1 The Concessionaire shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits.

8.2 The Concessionaire shall notify the Director of the Concessionaire's green initiatives prior to Contract commencement.

- 8.3 Outline the Proposer's approach to solid waste management, including reduction, reuse, and recycling, use of post-consumer recycled products, water and energy conservation, pest management, hazardous materials handling, air quality, and other applicable facets of resource conservation and environmental protection that are applicable to the concession operation. The plan should clearly commit Proposer to a program that will minimize negative impacts on the environment.

9.0 PERFORMANCE REQUIREMENTS SUMMARY

A Performance Requirements Summary (PRS) chart (Exhibit 2 of Appendix B), listing required services that will be monitored by the County during the term of the Contract, is an important monitoring tool for the County. The chart should:

- reference the section of the Contract
- list required services
- indicate the method of monitoring
- indicate the deductions/fees to be assessed for each service that is not satisfactory

All listings of services used in the PRS are intended to be completely consistent with the Contract and this SOW, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract and the SOW and that stated in the PRS, the meaning in the Contract and the SOW will prevail. If any service seems to be created in the PRS which is not clearly and forthrightly set forth in the Contract and the SOW, that apparent service will be null and void and place no requirement on the Concessionaire.